

FISCAL NOTE

HB 827 - SB 1087

March 1, 2005

SUMMARY OF BILL: Defines food and food ingredients for state sales tax purposes. Amends the definition to restore it to the definition existing prior to the passage of Public Chapter 357 in 2003.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Not Significant

Increase State Expenditures – Not Significant

Assumptions:

- The definition change contained in Public Chapter 357 clarified the meaning of “prepared food”. Prior to this change, it was possible that repackaging food (from bulk to individual packaging) could cause some food to be considered “prepared food” and thus was subject to the higher tax rate.
- Enactment of this bill is estimated to increase state revenues by an amount considered not significant as a result of some items being taxed at the higher rate.
- Enactment of this bill is estimated to increase costs by an amount considered not significant for administering tax changes on certain food items.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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